

French Market Trends & Opportunities

Export Delaware

July 2020

CHALLENGE.
CREATE.
COLLABORATE.

Your Partner for International Growth

OCO works with agencies to help them build and execute successful strategies to attract international investment, creating thousands of jobs and billions in capital inflows.

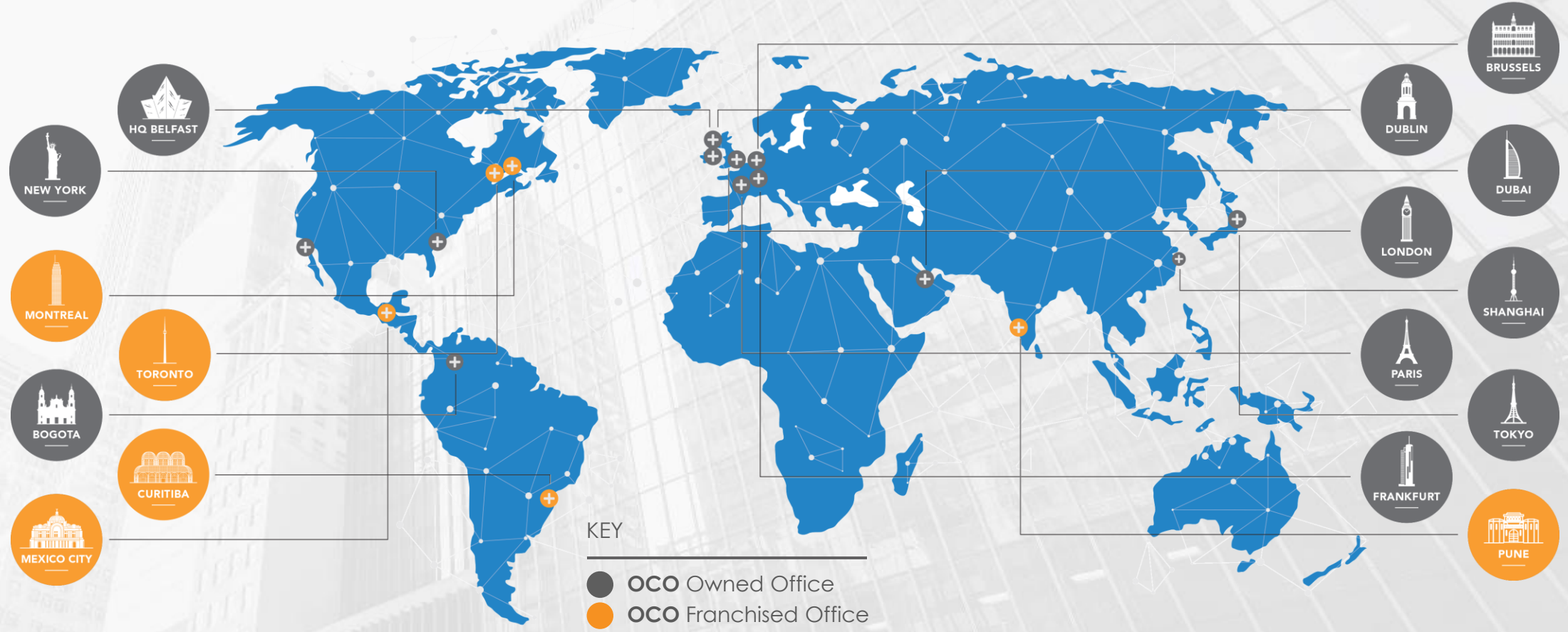
We work with Government agencies to support their Trade strategies, streamlining their resources and ensuring their activities are targeted optimally. We've helped hundreds of companies break into new markets and grow internationally.

We de-risk international expansion through marketing intelligence, funding and access to our extensive networks.

OCO



Global Presence



We Provide a Range of Trade Services to Governments and Companies



OCO we understand the opportunities and challenges of growing internationally.

Our consultants support businesses in their strategic plans for global growth, As well as their execution. We offer bespoke assessments of international markets, creating market entry and growth strategies to help accelerate business development in new markets.



ASSESS Understand your market.

Market Intelligence
Legal, Tax &
Regulatory
Assistance



ENTER Prepare to go to market.

Market Entry
Support
Lead Generation
Trade Missions



GROW Support your expansion plans in new markets.

Business Development
Trade Shows & Events
Location Advisory

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Sector Focus

Looking at trends,
opportunities and
challenges for key sectors in
the world of COVID-19.

France - Facts & Figures



3rd Largest economy in Europe

7th Largest economy in the world

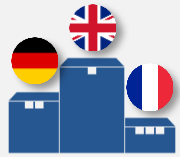
 Population of over **67M**

13 French Regions

 Centralized country (Paris)



France - US Trade Relationship



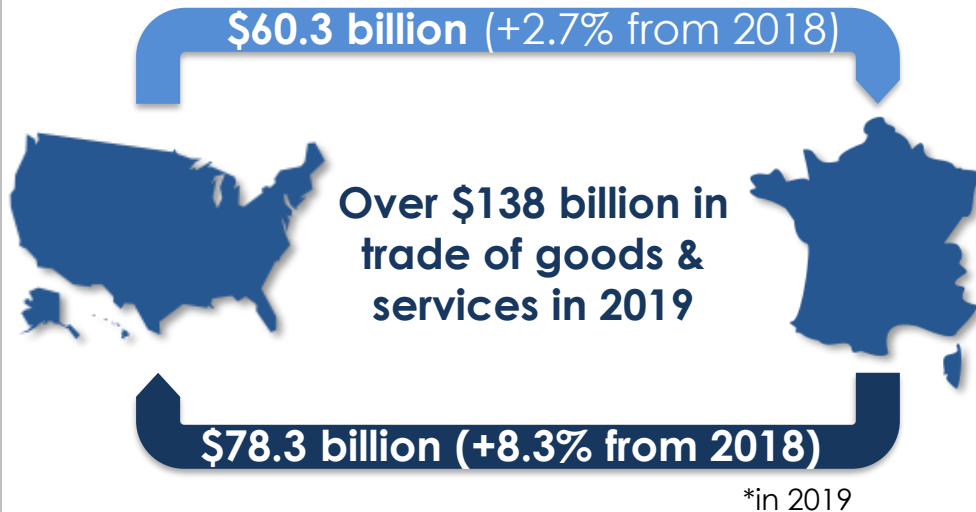
3rd
Largest trade
partner in Europe



9th
Largest trade
partner globally



38%
Of all US exports to France
were Aerospace products
*2018



Sources: French Embassy in the USA, 2020s
U.S. Bureau of Economic Analysis (BEA)
US Census bureau

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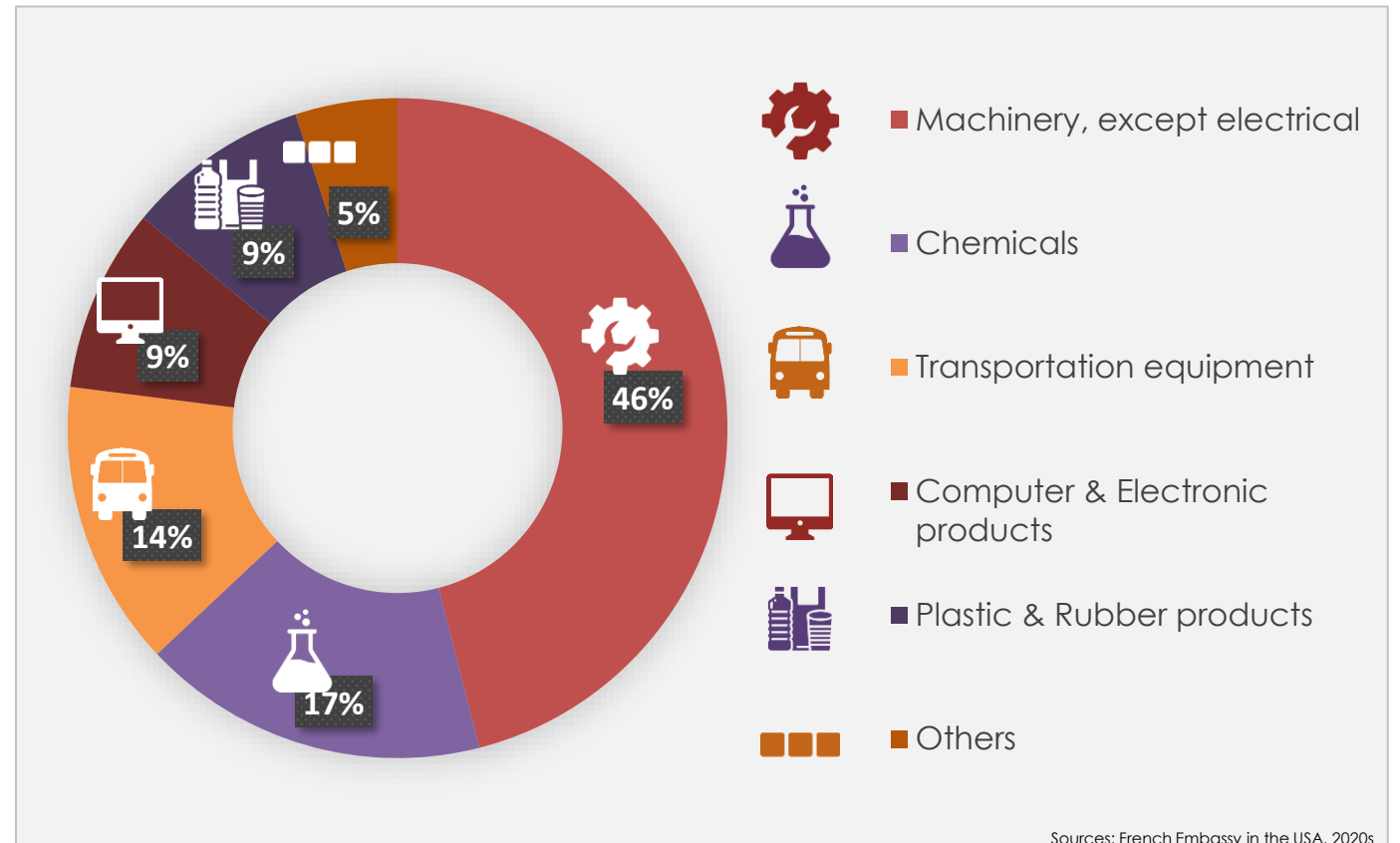
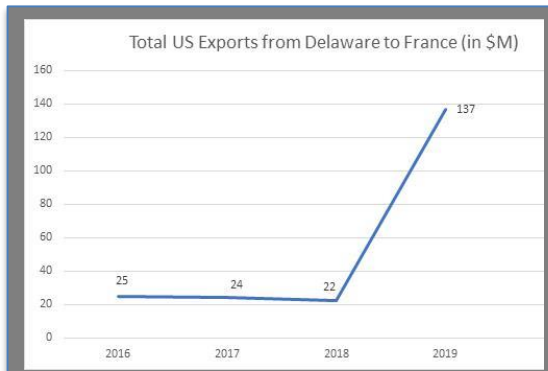
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France - Delaware relationship



 **11th**
Exporter Partner

 **\$137M**
In 2019



Sources: French Embassy in the USA, 2020s
U.S. Bureau of Economic Analysis (BEA)
US Census bureau

France - Delaware relationship



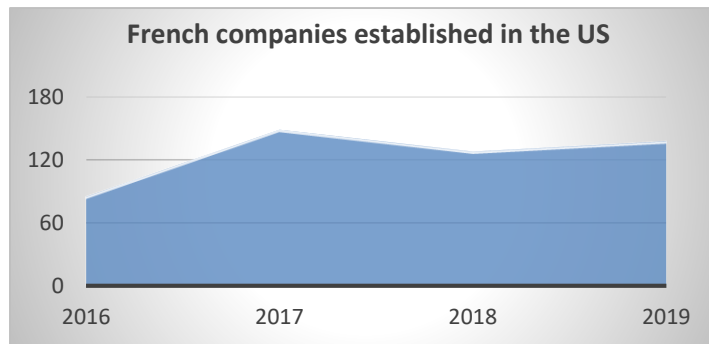
1,600 jobs

Controlled by French companies in Delaware



5th

France is #5 for jobs created by foreign companies in Delaware



Source: FDI Markets



Sources: French Embassy in the USA, 2020s
U.S. Bureau of Economic Analysis (BEA)
US Census bureau

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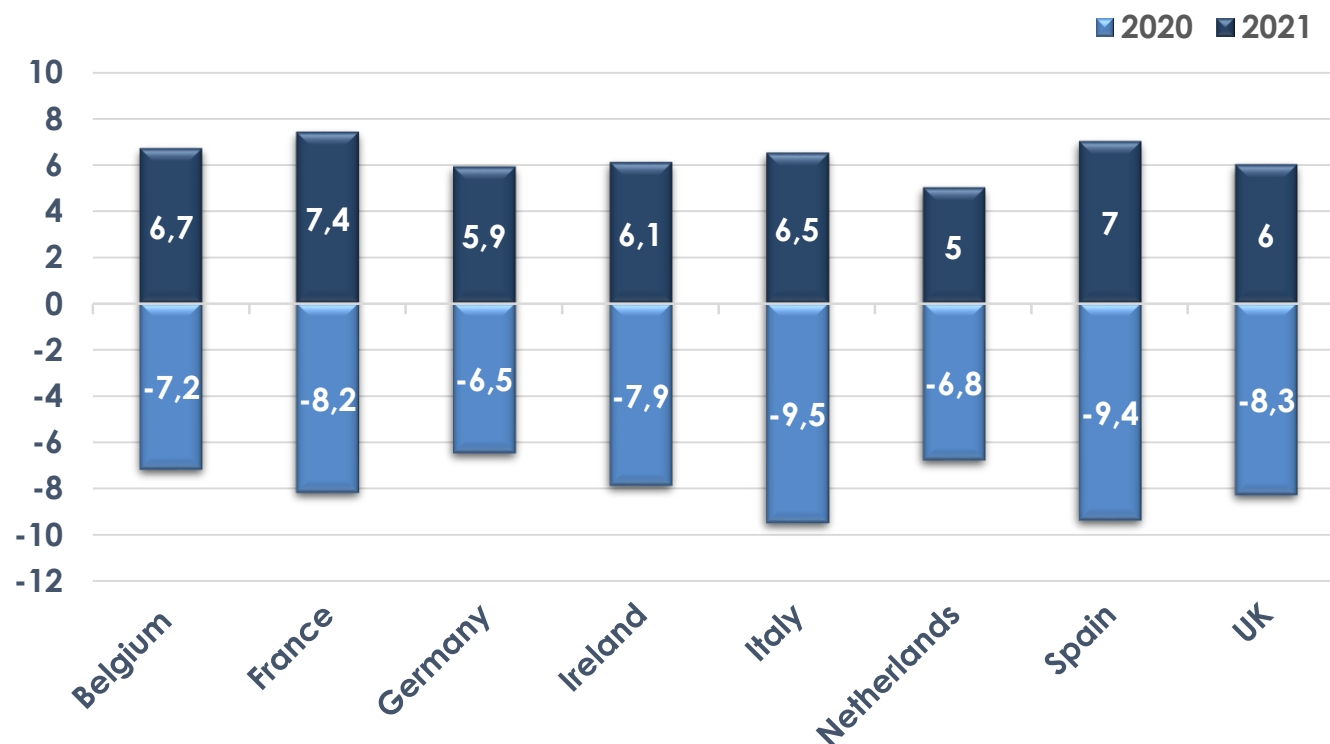
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Covid-19 impact

There is predicted to be a strong bounce-back in Europe after falling GDP in 2020 with strong growth across the region in 2021



Forecasted GDP Europe 2020-2021
(% change)



Source: McKinsey Co.

COVID-19 has caused some short-term opportunities and challenges that cut across sectors and markets with widespread implications

Opportunities



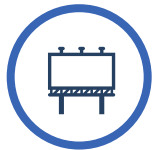
Diversification – COVID-19 has opened up opportunities for companies to expand into new sectors and diversify their offering particularly into medical technology and PPE.



Innovation – With business disrupted like never before, innovation has become crucial to companies' ability to seize opportunities and adapt to integrate tech into existing systems and processes.



Sustainability – A reduction in travel and a need to stabilize supply chains has brought the question of sustainability even more to the forefront of government and public minds.



Starting Again – In spite of the numerous challenges, there has never been such an opportunity to rethink strategy and reinvent.

Challenges



Labour Force – Numerous industries have been severely affected by lockdown across Europe with people unable to go to work causing labour shortages.



Supply Chains – The interconnectivity and globalised nature of supply chains has caused widespread disruption throughout Europe as the movement of goods has become more difficult.



Travel – Business travel has taken a big hit as airlines drastically reduce services or ground fleets and borders close.



Economic Constraints – The unprecedented nature of COVID-19 has caused economic shocks not seen in recent times with many businesses struggling to stay afloat and government assistance not accessible to all.

Covid-19 Impact

Food & beverage, life sciences, financial services and innovative industries still have potential for success while others struggle



	2019 Growth global, %	2019 Growth Europe, %	Employment in Europe, '000 persons	Supply Chain Disruption	Demand change during coronavirus	Overall Assessment
Food & Beverage	27.05	57.14	1,998.70	High	High increase	Low threats
Manufacturing (including Advanced Manufacturing)	3.30	17.10	32,948.83	Medium	Decrease	At Risk
Defence	70.00	57.14	14,916.68	Low	Increase	Low threats
Financial Services	17.70	50.20	5,881.75	Low	Increase	Low threats
Media/Creative Industries	5.80	-0.60	4,303.68	Medium	Increase	Low threats
Life Sciences	42.30	12.20	2,501.21	Medium	High increase	Low threats
Consumer & Retail	15.60	4.10	29,421.60	High	Decrease	At Risk
Biotech (including AgriTech)	38.60	45.70	871.41	Medium	Increase	Low threats
Automotive	-23.90	-24.20	2,657.83	High	Decrease	At Risk
Enviro-Tech	31.10	34.50	142.4	Medium	No change	Low threats
Renewable Energy	64.60	107.10	521.4	Medium	No change	Low threats

Source: FDI Markets, WTIS

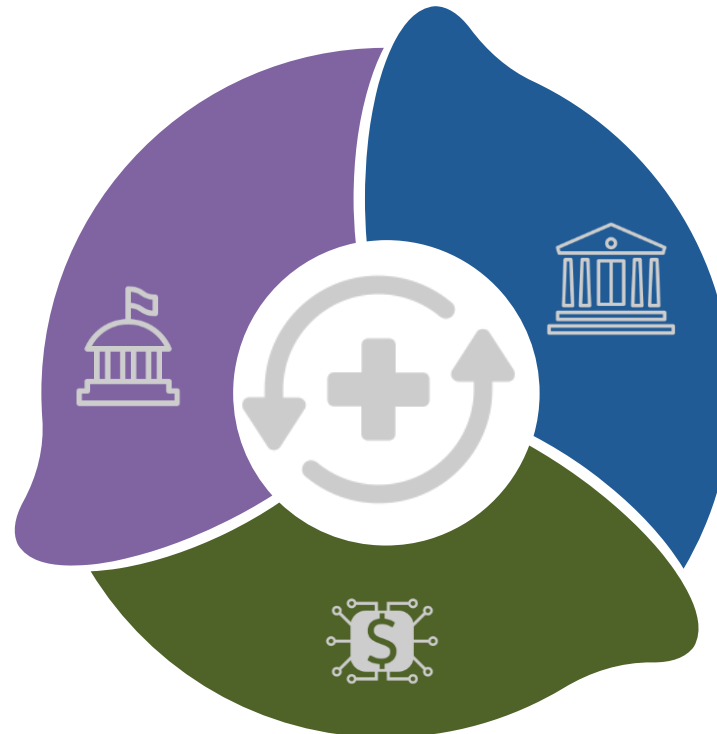
Risk
Very Low Very High

French Government Measures



Government

- ✓ Longer social or tax payment deadlines
- ✓ Direct tax rebates
- ✓ Deferral of rent, water, gas and electricity payments for small businesses in difficulty
- ✓ Aid and financial guarantees
- ✓ Short-time working arrangement to guarantee the maintenance of employment



BPIFrance

- ✓ State-guaranteed loans for start-ups and innovative companies
- ✓ State-guaranteed loans for all companies in difficulty with a need for financing
- ✓ Targeted loans for certain sectors hardly hit by the crisis: tourism, creative industries, aerospace, automotive...

Banks

- ✓ State-guaranteed treasury loan scheme

Source: BPIFrance

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French ecosystems



56
Competitiveness clusters



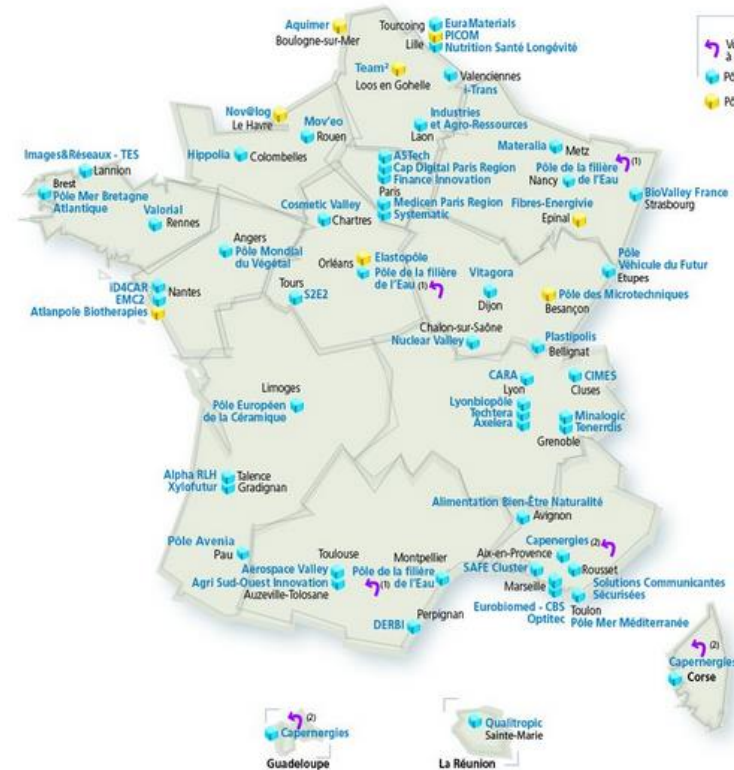
+ 200
Incubator / accelerator



MEDEF / MEDEF International
Network of entrepreneurs in France.



**Industry organizations, Chamber of
Commerce, BPIFrance ...**



Source : DGEC/GET (janvier 2019)

Top sectors



Aerospace



Agri-food



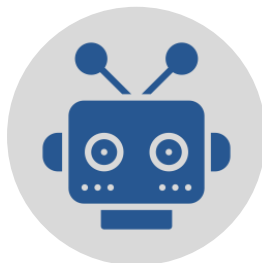
Service Sectors (Consultancy & marketing, etc.)



ICT (Digital, AI, etc.)



Robotic



Cleantech/Smart City



FinTech & AssurTech



Ethic & Wellness



The tech sector appear to be more resilient in the face of COVID-19 with growing opportunities in AI, FinTech and IoT

FinTech



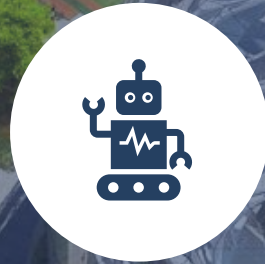
Telehealth



Supply Chain
4.0



Robotics and
Drones



Remote
Working



5G and ICT



Source: WeForum

ICT /Tech in France – Overview



#3 largest ICT
market in Europe



130 000
businesses



USD\$ 128 billion
Turnover



720 000 employees



3.8% of GDP



Growth in Digital Tech
25% of French Growth

\$10 Billion

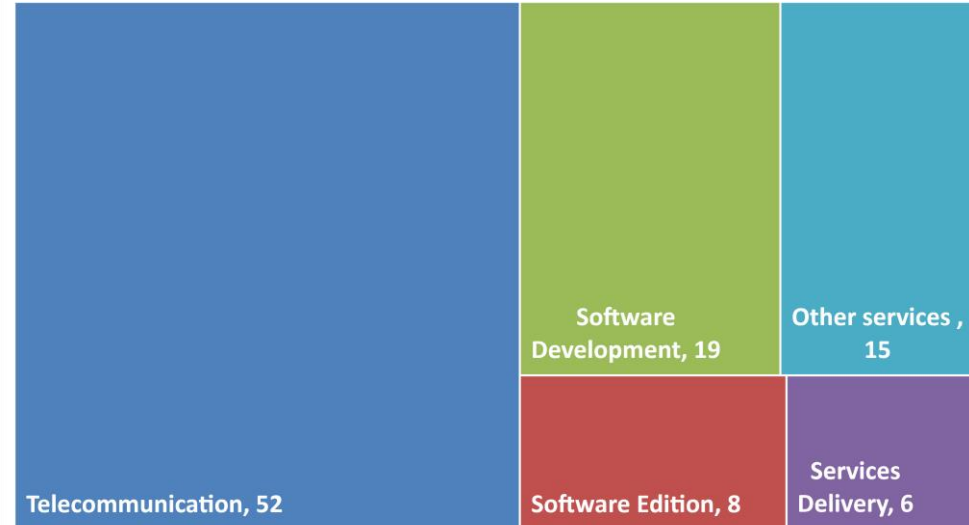
imports from the US computer
software & services market



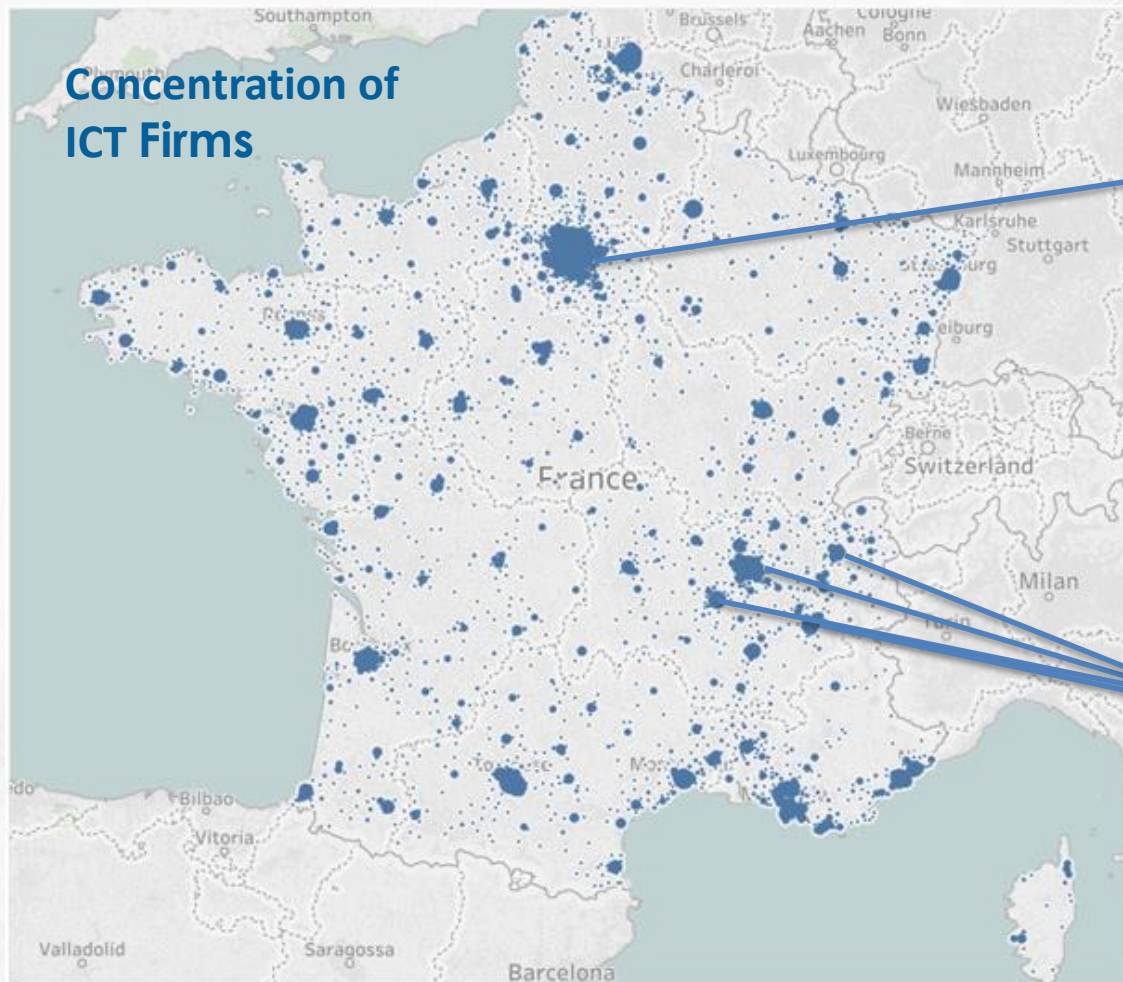
\$9.8 billion

imports from the US
telecommunications market

SECTOR SEGMENTATION



ICT /Tech in France – Key Players and locations



Paris region #1 ICT Ecosystem in EU
highest concentration of ICT's 500 leading international groups :



Capgemini (FR) → top 10 digital services company in the world (US\$ 19 bn turnover, 270 000 employees in 50 countries).



Orange (FR) → top 10 Telecommunications company in the world per subscribers - 266 million (US\$ 48 bn turnover, 147 000 employees in 26 countries).



IBM (US) → around 10'000 employees in France (more than 6'000 in the Paris Region).



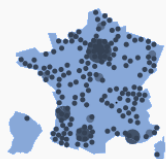
Auvergne-Rhône-Alpes #2 region in France for ICT



Sopra Steria (FR) → European leader in digital transformation (US\$ 5 bn turnover, 46 000 employees in 25 countries).

Sources: Invest in Paris Region / Auvergne Rhône Alpes Entreprises / compuBase, 2020

Aerospace & Defense sector - Overview



Large industrial sector

#1 EU



58 billion €
Turnover



300 000
direct & indirect jobs in
manufacturing, R&D



2nd largest
aerospace exporter in
the world

French Major players

AIRBUS



Paris Air show, Le Bourget

1st world's Aerospace trade show

\$17 Billion in Government Support

Source : Business France/GIFAS

Composite sector - Overview

OCO



3 800 companies



\$ 37.1 billion

Turnover Plastics & Composite
(2018)



133 000 employees
+ 90% SME

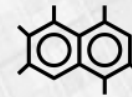


2.63% of Industry GDP



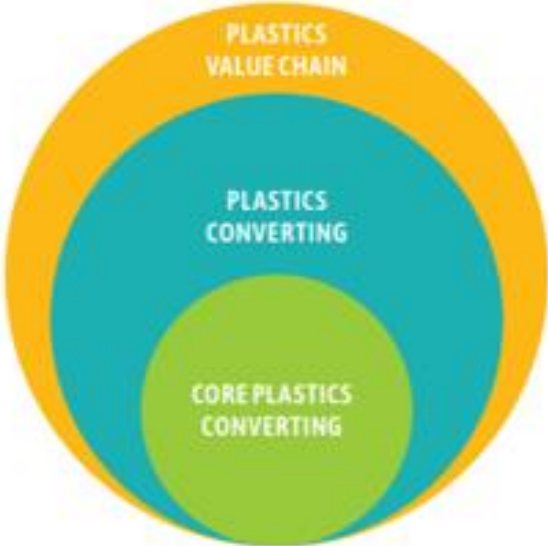
**Major trade show
on composite in France**

The current main market trends :



- Natural Fiber
- Thermoplastic Composites
- Resin Transfer Molding
- Wind Energy

Composite sector - Plastic

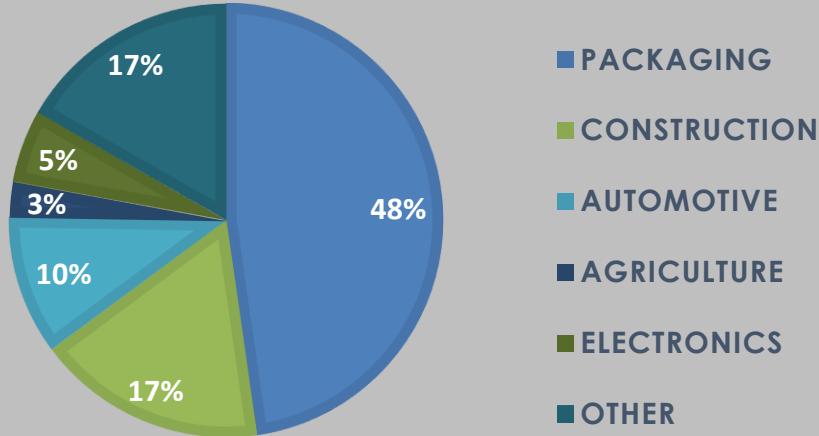


€ 65 bn
230,000 employees
An average of 5,000 companies

€ 52 bn
210,000 employees
4,000 companies

€ 33.3 bn
126,000 employees
3,400 companies

PLASTIC CONSUMPTION BY SECTOR (2018)



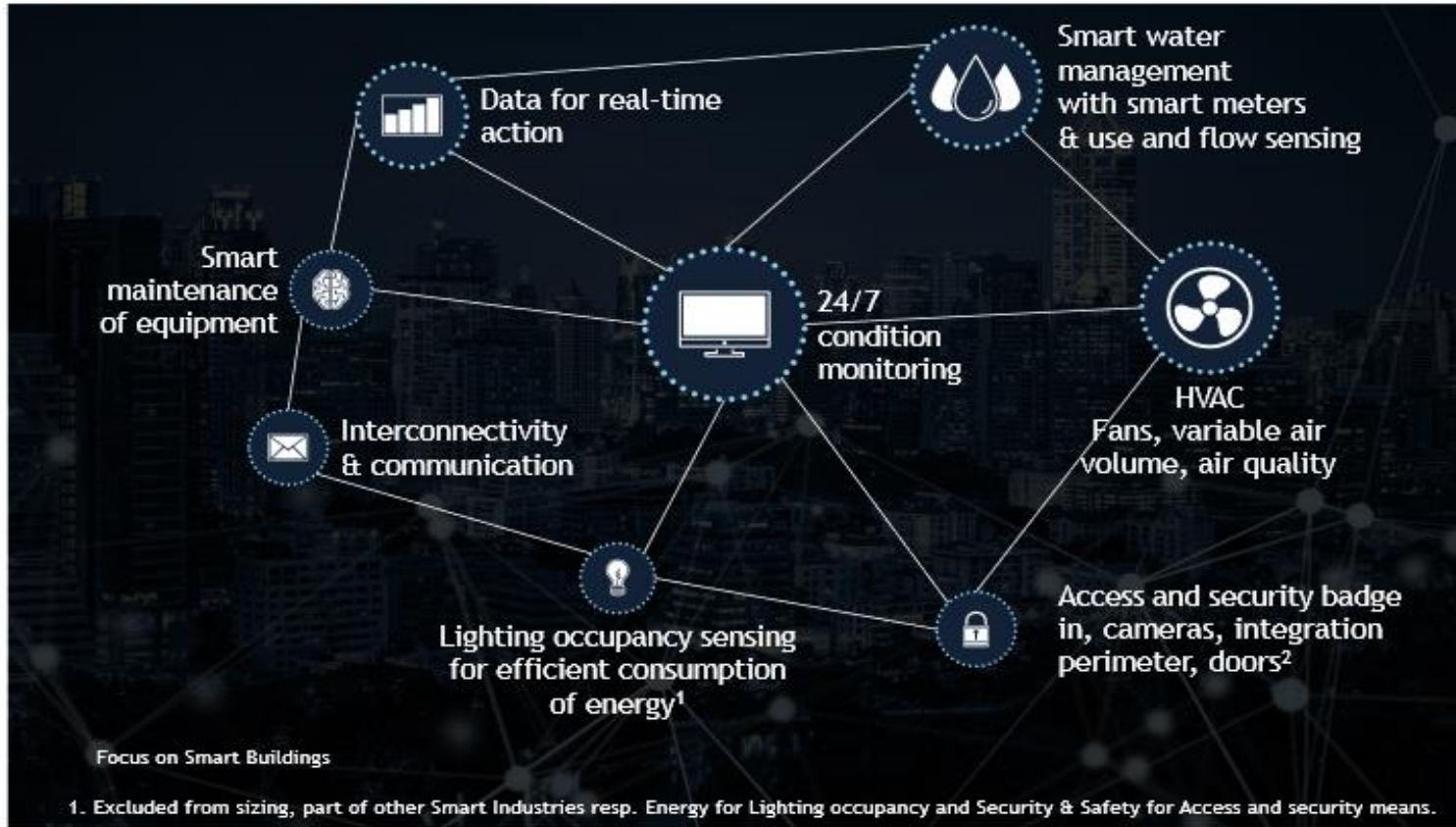
Source : Federation de la Plasturgie et des composites Panorama 2019

Smartcity-mobility sector - Overview

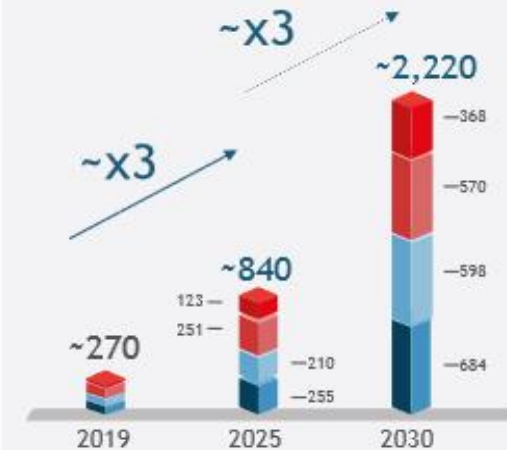


Smart Cities

What the future could look like



Global market size (\$B)



- Smart Governance
- Smart Buildings
- Smart Ticketing/Parking
- Smart Education

French cities initiatives

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- “Quarter de la creation”: creative district
- Jules Verne Technological Research Institute
- Hospital of the future



- Mobility and Intelligent Transport Systems
- Energy, Grids, Environment e-Services
- Autonomy and Silver Economy



- An Open City model which places people and citizens as the core of the public policy process
- digital and e-education innovative projects
- Big data policy



New urban experimentation site (Tuba):

- OpenData
- User licences
- Network of local actors
- Public-private data mix

Source: YoubuyFrance

E-Health sector - Overview



5th largest market
in the world



200 e-health
companies



\$3 billions market



30 000 employees



#1st OECD country
for access to healthcare



National Healthcare Digitalization Strategy implementation

- Electronic Health Records, e-prescriptions
- E-health Platforms
- Artificial Intelligence [AI]
- Promote Telemedicine especially for regions facing lower physicians to patient ratio
- Health Analytics to foster early stage Treatment



7 healthcare innovation clusters

France's ecosystem fosters synergies and partnerships that lead to the emergence of innovations, products and services offering high-quality personalized healthcare

Medical devices sector – Overview



5th largest market
in the world



1500 businesses
93% SME



\$33 billions sales
on the French
market



90 000 employees

50 000 employed
by French companies
40 000 employed
by international companies

4 future Trends

Population
Ageing

Increase of
Chronic diseases

Rise of Health
Expenditures

Integration of
Patient-centered
digital tools (from
prevention to FU)

French demand for medical
equipment estimated at
\$40.3 billion (2020)



Import from the US forecasted
at **\$ 4.7 billion (2020)**

**Demand on : Diagnostic Equipment , Rehabilitation,
Surgery equipment, medical prosthetics, Intensive care,
Hygiene**

Regulation of the medical devices market



- All medical devices must be **CE-marked** in order to be marketed in France. CE marking is a **sign of conformity with current European Union regulations** and allows manufacturers to market their device in any of the EU associated countries.



- Therefore, manufacturers do not have to separately register their device in each of the EU member states. Once the device is registered in one of them, it can be **freely distributed on the whole territory of the European Union**.



- The timeframe of the registration process depends on the risk classification of the device — it is the quickest for **Class I devices (low risks)** and takes on average from **4 to 6 weeks**.



- Licenses issued in France and all other EU member states are valid for **five years**.
- Manufacturers are also obliged to annually renew an **ISO certification** (ISO 13485:2016) and to provide all documentation and labelling information in French.

Risk class	Criteria	Conformity assessment procedures	Vigilance system
Class I	low risk	+/-	+
Class IIa	moderate risk	+	+
Class IIb	Potential high risk	+	+
Class III	high risk	+	+



Diversification – Supply chains are being revisited
45% of companies are looking to new markets & suppliers



Many SMEs won't survive
Competition is decreased and consolidation is likely



It's no longer about price, **Relationships matter**
Resilience, Reliable...



Quality, sustainability, trusted products

